

# **Section 1: Contract Regulatory Process/Contract Types**

## **Objectives**

1. Identify the applicable acquisition regulations, their authority and precedence.
2. Define the Competition in Contracting Act (CICA)
3. Identify the two methods of procurement and know when to appropriately use each.
4. Name the two broad categories of contract types.

## **Acquisition Regulations**

<b>FAR</b>	— Federal Acquisition Regulations
<b>FAC</b>	— Federal Acquisition Circulars
<b>DFARS</b>	— Defense Federal Acquisition Regulation Supplement
<b>DAC</b>	— Defense Acquisition Circulars
<b>AFARS</b>	— Army Federal Acquisition Regulation Supplement
<b>AL</b>	— Acquisition Letters
<b>EFARS</b>	— Engineer Federal Acquisition Regulation Supplement
<b>EAL</b>	— Engineer Acquisition Letters



# **Section 1: Contract Regulatory Process/Contract Types**

## **Competition In Contracting Act (CICA)**

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- 1. Full and Open Competition**
  - a. Acquisition Planning
  - b. Functional Specifications
  - c. Equal Opportunity For All Responsible Sources

## **Competition in Contracting Act (CICA) (Continued)**

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- 2. Full and Open Competition After Exclusion of Sources**
  - a. Establishing or Maintaining Alternative Sources
  - b. Set-Asides
  - c. Head of Agency Approval (D&F)



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## **Competition in Contracting Act (CICA) (Continued)**

### **3. Other Than Full and Open Competition**

- a. Exceptions Under 10 U.S.C. 2304(C)
  - (1) Sole Source
  - (2) Unusual and Compelling Urgency
  - (3) Industrial Mobilization
  - (4) International Agreement
  - (5) Authorized or Required by Statute
  - (6) National Security
  - (7) Public Interest

## **Competition in Contracting Act (CICA) (Continued)**

### **b. Contracting Officer Responsibility**

- (1) Justification
- (2) Certifications
- (3) Approvals



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## **Competition in Contracting Act (CICA) (Continued)**

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### **4. Non-Applicability**

- (1) Simplified Acquisitions (Maximum Practicable Competition)**
- (2) Within Scope Contract Modifications**
- (3) Orders Placed Under Existing Contracts (If Basic Contract Complied with CICA)**
- (4) Reprocurement Actions (Maximum Practicable Competition)**

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# **PREAWARD**



# **Section 1: Contract Regulatory Process/Contract Types**

## **Contracting Procedures**

### **Methods of Contracting**

- 1. Sealed Bidding**
- 2. Negotiation**

## **Ways to Obtain Competition**

- 1. Sealed Bidding**
  - a. Time**
  - b. Price**
  - c. No Discussions**
  - d. Two or More Bids**
- 2. Competitive Proposals (Negotiations)**
- 3. Combination**
- 4. Other Competitive Procedures**
- 5. Applicability**
- 6. Exceptions**
- 7. Approvals**



# **Section 1: Contract Regulatory Process/Contract Types**

## **Contracting Procedures**

### **Mechanics of Acquiring Bids**

1. **Advertisement**
  - Synopsis
2. **Bid Opening**
  - Specific Place, Date, and Hour
  - Publicly Opened - (Sealed Bidding)
3. **Evaluation of Bids**
  - Responsiveness
  - Responsibility

## **Contracting Procedures**

### **Negotiation**

#### **Flexible**

1. Offerors may modify proposals during negotiation
2. Offerors may withdraw proposals anytime prior to award
3. Not required to award to low bidder
4. Award may be made on initial offers or after discussions.

#### **Confidential**



# **Section 1: Contract Regulatory Process/Contract Types**

## **AWARD**

### **Categories**

#### **Fixed Price**

- Firm Fixed Price (FFP)
- Fixed Price Economic Price Adjustment
- Fixed Price Incentive (FPI)
- Fixed Price Redeterminable (FPR)
- Fixed Price Level of Effort

#### **Cost Reimbursement**

- Cost Contract
- Cost Sharing
- Cost Plus Incentive Fee (CPIF)
- Cost Plus Award Fee (CPAF)
- Cost Plus Fixed Fee (CPFF)



# Section 1: Contract Regulatory Process/Contract Types

## Fixed Price

### ADVANTAGES

Highest Profit

Title in Contractor of Items  
Not Deliverable as End Items.  
(Tooling and Equipment, etc.)

Government Administration -  
Relaxed

Government Audit - Relaxed

Contractor - Fully Manage

Maximum Risk on Contractor

### DISADVANTAGES

Risk of Financial Difficulty Unavoidable

Contractor Must Perform

## Cost Reimbursement

### A. Characteristics:

Pay Allowable Costs

Establish Ceilings

Notification Due Contracting Officer

Exceed Ceiling at Own Risk

### B. Use:

Adequate and Accurate Estimates Cannot be Developed, Complex Requirements

### C. Requirements

- Contractors Accounting System Adequate for Determining Applicable Costs

- Surveillance by Government

- Must be Less Costly

- Only Way Procurement Can be Obtained

